

Dear Commissioners;



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I am watching this rate case with great interest and opposition as I believe this is a blatant attempt by APS to recoup lost profit due to conservation and the installation of roof top solar.

Roof Top Solar & Conservation – APS vigorously promoted conservation and roof top solar to all its ratepayers. The ratepayers took them to heart and began conservation efforts by installing CFL/LED lighting, running appliances in off peak hours, and generally keeping an eye on their energy usage. Thousands of ratepayers also installed roof top solar to lower their demand on the grid. As a result APS saw a decrease in their profits and are now asking for rate increases and mandatory demand charges to subsidize the roof top solar adoptees. They want to grandfather solar customers and at the same time charge non solar customers more to make up the lost revenue due to solar. So the end result is that existing solar customers continue to get grandfathered at each rate case while non solar ratepayers pick up their slack. What would the APS and ACC response be if more than half of APS ratepayers converted to roof top solar? There would likely be double digit increases in rates to non solar customers while grandfathering more and more solar customers. Profits would plummet drastically. The President/CEO of APS wouldn't get their 2 million in bonus money.

Monthly Demand Charges – APS is attempting to force behavior modification on all its non solar customers. They have chosen a time period for the demand rate when most families are returning home from work or school. This is the time period when most families are preparing dinner on their electric range, electric oven, or microwave, tuning in to today's news, turning on their computer, and using more lighting. It is also the time in multiple occupant homes that individuals are using multiple TV's and other entertainment devices. The air conditioner is probably cranking more to cool the home down after using their set back thermostat to raise air temps during the day in summer. The demand charge is meant to be deceptive and hard to manage. APS must adopt policies and innovations that provide any needed capacity to the grid during max usage periods.

Monitoring Energy Usage – APS offers absolutely no tools for ratepayers to monitor their energy usage other than pencil and paper. Their method to monitor usage is as follow;

- Turn on the TV and write down what date and time you turned it on.
- Wait an hour and turn the TV off and jot down the time you turned it off.
- Turn on another devices and write down the date and time you turned it on.
- Wait an hour and turn off that device and write down the time you turned it off.
- Wait for your bill to arrive which shows absolutely nothing on hourly energy use.
- Go to the web site and try to drill down to the hours of your tests.

The web site is not granular enough for you to see what each device is consuming as you turn them on. You can get a rough estimate but you can't drill down minute by minute to see energy consumption by device. APS's answer to this is to stop using all heavy energy consuming devices during the demand hours. Live like a hermit.

Responsiveness To Ratepayers – APS is not very responsive to ratepayers questions. As an example, on May 9th, 2016 I wrote to APS regarding the use of Rainforest's Eagle and EMU 2 monitoring device. These devices give ratepayers a minute by minute view of kwh consumed so that a customer can turn on a light and see exactly how many kwh's are being consumed by the light. This can be done for every single energy consuming device in a household so customers can make an informed decision as to what devices they should or should not use during the demand hours. These devices do not get hard wired to the meter and only require APS to turn on the ZIGBEE radio already in the smart meters they have installed. So far, CA, IL, TX, VT, HI, and SRP allow use of these devices. I have contacted APS twice regarding use of the Rainforest devices with absolutely no response from APS. If your

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interested, you can learn more about Rainforest automation and how it can help ratepayers at the following site;

<https://rainforestautomation.com/rfa-z109-eagle/>

Low Use Customers – APS has proposed 4 tiers for demand charges.

Extra Small – flat rate

R1

R2

R3

Three of those tiers, R1 – R3 will be assigned to customers automatically based on their energy usage. Extra Small however is an opt-in only tier. You will have to explicitly request that tier if you use 600 kwh or less on average per year. APS has the data to know exactly what each customer is using whether you use 400 kwh or 4000 kwh. Why do you think that the Extra Small tier is opt-in only? It's definitely not because they don't know you use 600 kwh or less on average. They want to get you on mandatory demand because that's where the money is. Mandatory demand charges are meant to be confusing and unpredictable thereby garnering more income/profit. Mandatory Demand Charges are being advertised as a way for customers to save money. Even if that were true, that will have the effect of further lowering APS's profits which will result in even more rate cases from APS to increase profits by raising rates and grandfathering more and more solar.

In summary, please vote against mandatory demand charges for the following reasons;

Roof top solar and conservation (promoted by APS) has reduced APS profits – they haven't eliminated them. This is an attempt to grow profits

APS is promoting behavior modification by the demand hours they chose.

APS doesn't provide granular data to its customers on usage by electrical device. This data is available.

Low use customers must opt-in to the Extra Small rate – it should be automatic.

Confusion and uncertainty over demand charges.

Responsiveness to APS customers regarding use of their smart meter.

Cost savings from demand charges are speculative at best.

Benefit to ratepayers – none.

Again, please vote against mandatory demand charges.

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